

# Notice

Notice is hereby given that the 25th Annual General Meeting of the Members of Kitex Garments Limited will be held on Monday, June 19, 2017 at the Factory Premises of the Company at Building No. 9/536A, Kizhakkambalam, Kochi - 683 562, Kerala at 10.00 A.M. to transact the following business:-

## ORDINARY BUSINESS

1. To receive, consider and adopt Audited Financial Statements (including the Consolidated financial statements) of the Company for the year ended March 31, 2017 together with the Report of the Board of Directors and Independent Auditors report thereon.
2. To declare a final Dividend of ₹ 0.75 per equity share and to ratify the Interim Dividend of ₹ 0.75 per equity share, already paid during the year, for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. K L V Narayanan (DIN 01273573), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and Article 116 of Articles of Association, and being eligible offers himself for re-appointment.
4. To Re-appoint M/s. Varma and Varma, Chartered Accountants, Kochi (Firm Registration No. 004532S) who shall hold office for the financial year 2017-18 from the conclusion of this 25th Annual General Meeting till the conclusion of the 26th Annual General Meeting and to authorize the Board to fix their remuneration.

## SPECIAL BUSINESS

### 5. REVISION OF REMUNERATION PAYABLE TO MS. SINDHU CHANDRASEKHAR (DIN 06434415) WHOLE-TIME DIRECTOR

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in partial modification of the resolution passed by the members at the 23rd Annual General Meeting of the Company held on 4th June, 2015 for the appointment of Ms. Sindhu Chandrasekhar (DIN 06434415) as a Whole Time Director designated as Woman Director of the Company and the terms of remuneration payable to her and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves with effect from January 1, 2017 and upto March 15, 2020 the revision in the salary and other benefits applicable to Ms. Sindhu Chandrasekhar (DIN 06434415) as detailed in the statement forming part of this notice.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorised to fix her salary within the salary scale approved, increasing thereby, proportionately, all benefits related to the quantum of salary.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

### 6. TO APPROVE THE ISSUE OF BONUS SHARES

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the Articles 71 to 73 of Articles of Association of the Company and Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time, provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment thereof for the time being in force) to the extent notified and in effect to such approvals, consents, sanctions, permissions and provisions of other applicable laws, regulations, rules, directions, guidelines including those issued by Reserve Bank of India and such other regulatory authorities concerned from time to time, to the extent applicable and subject to such approval(s) as may be necessary from authority including shareholders, consent and approval of the members of the Company be and is hereby accorded for a sum not exceeding ₹ 1.9 Crores (Rupees One Crore Ninety Lakhs only) out of Free Reserve of the Company, as appropriate, for the financial year ending March 31, 2018 (necessary accounting entry being made immediately upon approval of shareholders) be capitalized for the purpose of issue of Bonus share among the members of the Company, whose name appear in the Register of Members maintained by the Company and the List of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited on Record date as may be fixed in this regard by the Board in accordance with law and to apply the said sum in paying up in full a maximum of 1,90,00,000 equity shares (the bonus shares) of the Company of ₹ 1 each (Rupee One Only) at par, to be allotted, distributed and credited as fully paid up to and among the members in the proportion of 2 bonus equity shares for every 5 existing fully paid up equity shares held by them respectively as on record date and that the Bonus shares so distributed, for all purposes, be treated as an increase in the nominal amount in the capital of the Company by each members and not as income.

**RESOLVED FURTHER THAT** the issue and allotment of the said bonus shares to the extent that they relate to Non-Resident Indians (NRIs), Persons of Indian Origin/ Overseas Corporate

Bodies and other foreign investors of the Company, will be subject to the approval of the Reserve Bank of India and other regulatory authority as the case may be.

**RESOLVED FURTHER THAT** if as a result of implementation of this resolution, any member becomes entitled to a fraction of new equity shares to be allotted as bonus shares, the company shall not issue any certificate or coupon in respect of such fractional shares, but the total number of such new equity shares representing such fractions shall be allotted by the Board to a nominee to be selected by the board who would hold them as trustee for the equity shareholders who would have been entitled to such fractions, in case the same were issued. Such nominee will as soon as possible sell such equity shares allotted to him at the prevailing market rate and the net sale proceeds of such shares after adjusting the cost and expenses in respect thereof be distributed among such members who are entitled to such fractions in the proportion of their respective holding and allotment of fractions thereof.

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu in all respect with existing fully paid up equity shares of the Company.

**RESOLVED FURTHER THAT** no letter of Allotment shall be issued but in the case of members who hold shares in dematerialised mode, the Bonus Shares shall be credited to the beneficiary accounts of the members maintained in Depository Participants and in case of members who hold shares in physical mode, the share certificate in respect of the Bonus Shares shall be dispatched within the prescribed time limit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the Bonus Shares on Stock Exchanges where the equity shares of the Company are listed, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Rules and Regulations.

**RESOLVED FURTHER THAT** Mr. Sabu M. Jacob, Chairman & Managing Director (DIN: 00046016) or any one from directors and the Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as may in its absolute discretion, deem necessary for the purpose of giving effect to this resolution."

**7. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS**

To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:-

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with standard listing agreement entered with the Stock Exchanges and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into a contract(s)/ Transactions(s)/ arrangement(s) with KITEX CHILDRENSWEAR LIMITED a related party within the meaning of the aforesaid law, on such terms and conditions as may be mutually agreed upon, upto a maximum amount of ₹ 150

Crores in each financial year from the financial year 2016-17 for the period of 3 years, however that contract(s)/Transaction(s)/Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at the arms length basis.

**RESOLVED FURTHER** that the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any one or more Directors of the Company as it may consider appropriate in order to give effect to this resolution."

By Order of the Board of Directors of  
**Kitex Garments Limited**

**Sabu M Jacob**  
Chairman & Managing Director  
(DIN: 00046016)

Kizhakkambalam  
April 28, 2017

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/ HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER.

Proxies in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered as invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy Form, for identification purposes.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the items of special business under Item No. 5 to 7 to the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from June 13, 2017 to June 19, 2017 (both days inclusive).
4. None of the Directors seeking appointment/ re-appointment or whose terms of appointment are revised, is related to any member of the Board of Directors or to any Key Managerial Personnel.
5. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be restricted by the Attendance Slip and photo id proof. Members are requested to write their Client ID and DP ID

numbers/Folio Number (as applicable) on the Attendance slip, affix their signature and hand it over at the entrance hall. Transport facility will be provided to the shareholders from Kizhakkambalam to the Factory premises and back for attending the meeting.

6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
8. Members holding shares in electronic form are advised to send their request for the change of address, Bank particulars, Residential status or request for transmission of shares etc to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company, M/s. Cameo Corporate Services Limited, Subramanian Building No. 1, Club House Road, Chennai 600002, Tamil Nadu, Tel: 044-28460390 Fax: 044-28460129.
9. Notice of the AGM along with Annual Report 2016-17 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding

shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

10. A Final Dividend of ₹ 0.75 (75%) per share has been recommended by the Board of Directors of the year ended March 31, 2017, subject to the approval of shareholders. Dividend, if approved shall be paid on or before July 17, 2017 and to be completed within the statutory time limit.
11. Request for any clarification needed on the accounts should be lodged in writing at the Registered Office of the Company on or before 5 P.M. on June 17, 2017.
12. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
13. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.kitexgarments.com](http://www.kitexgarments.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kizhakkambalam, Alwaye, Kochi between 11.00 AM and 1.00 P.M. on all working days up to the date of the Annual General Meeting.
14. Members who have not encashed the dividend warrants for the financial year ended 2009-10 and/or any subsequent years are requested to write to the Company giving necessary details along with claimant's proof of identity and address. In this connection the company has placed the names of such persons who has not claimed dividend since 2009-10 in the website of the company and the shareholders can view the details at [www.kitexgarments.com](http://www.kitexgarments.com)
15. In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their

mandates for the same in the attached format along with the specified details/ documents to M/s Cameo Corporate Services Limited. Those holding shares in De-mat form are requested to update their records with DPs in this respect.

16. As per provisions of Section 124 of Companies Act, 2013, the amount of dividends remaining unclaimed for a period of seven years is to be transferred along with share held in those folios to the Investor Education and Protection Fund. Accordingly, the dividend declared for all the financial years ended upto March 31, 2009 had been transferred to Investor Education and Protection Fund.
17. The Company shall provide/host the required details of unclaimed dividend amounts referred to under Section 124 of Companies Act, 2013, on its website and also Ministry of Corporate Affairs (MCA) website in the relevant form every year. For the financial year ended 31st March, 2016, the information on unclaimed dividend for the years from 2009-10 to 2015-16 was filed with the Ministry of Corporate Affairs and hosted on the web site of the Company within the statutory time.
18. Details of dividend declared for the financial years from 2009-10 onwards are given below:

Financial Year	Declared on	Dividend yield	Amount paid per equity share (₹)
2009-10	30.12.2010	30%	₹0.30
2010-11	30.05.2011	40%	₹0.40
2011-12	30.05.2012	60%	₹0.60
2012-13	14.05.2013	80%	₹0.80
2013-14	15.05.2014	100%	₹1.00
2014-15	04.06.2015	125%	₹1.25
2015-16 (1st Interim Dividend)	30.10.2015	75%	₹0.75
2015-16 Final	10.06.2016	75%	₹0.75

19. The Company has released an Advertisement dated 30.04.2015 in National Daily viz., Financial Express and Regional language daily viz., Chandrika for transferring unpaid/unclaimed dividend and unclaimed shares of the Company to Investor Education and Protection Fund (IEPF) Account as per Section 124(6) of the Companies Act, 2013. The Company has also sent individual communication dated December 9, 2016 to the concerned shareholders whose dividend remains unpaid or unclaimed for period of Seven (7) consecutive years, at their registered address and shares are liable to be transferred to IEPF account under the aforesaid Rules, for taking appropriate action(s) by the shareholders concerned. The Complete details of unpaid or unclaimed dividends and shares due for transfer are available on the website of the Company ie., [www.kitexgarments.com](http://www.kitexgarments.com). In case, the Company does not receive any communication from concerned shareholder(s) by May 31, 2017, the Company shall transfer the unpaid or unclaimed dividends and shares to IEPF accounts.
20. For any communication, the shareholders may also send requests to the Company's investor e-mail IDs: [Investor@kitexgarments.com](mailto:Investor@kitexgarments.com) or [sect@kitexgarments.com](mailto:sect@kitexgarments.com)

## 21. Voting through electronic means:

- a) In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time together with relevant clauses in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members the facility to exercise their right to vote at the 25th Annual General Meeting by electronic means and the business may be transaction through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

**"Electronic voting system"** means a secured voting system based process of display of electronic ballots, recording of

votes of the Members and the number of votes polled in favour or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate cyber security.

**"Remote e-voting"** means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

**"Cut-off date"** for determining the eligibility for voting either through electronic voting system or ballot is fixed as June 12, 2017. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

## b) Procedure for Remote E-Voting

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in De-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the de-mat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your de-mat account or in the company records for the said de-mat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your de-mat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut-off date in the Dividend Bank details field.</b></li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in De-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password

in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN to choose **<KITEX GARMENTS LIMITED>** to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non-Individual Shareholders & Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in>

and register themselves as Corporate and custodians respectively

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/ folio numbers on which they wish to vote.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

#### In case of members receiving the physical copy:

Please follow all the steps from Sl. No. : (i to xvii) above to cast vote.

#### General Information

- (A) The voting period begins on Friday, June 16, 2017 at 9.00 A.M and ends on Sunday, June 18, 2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Monday, June 12, 2017, may cast their vote electronically. The Remote E-voting module shall be blocked by CDSL for voting thereafter.
- (B) Members have an option to vote either Remote e-voting (availing the services provided by CDSL) OR by e-voting at AGM venue or by poll slips to be distributed at the meeting. If members have cast their vote through remote e-voting, then they should not cast their vote at the meeting but they can attend meeting. However if a member has voted through Remote

e-voting and has again voted at the meeting, then the voting done through Remote e-voting shall prevail and voting done at the meeting shall be treated as invalid. Members attending meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or you may contact Helpdesk: 18002005533/ 022-22723333

22. The route map to the venue of AGM is provided in the Annual Report for easy location.
23. The Company has appointed Mr. P. D. Vincent (FCS 3067 and CP. 7940), Practising Company Secretary, Kochi, as the Scrutinizer for conducting the e-voting process (including remote e-voting) in a fair and transparent manner.
24. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 2 days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman and/ or Director or a person authorized by him in writing who shall counter sign the same.
25. The results shall be declared forthwith upon receipt of the Scrutinizer’s Report. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.kitexgarments.com](http://www.kitexgarments.com), its Notice Board and on the website of CDSL and communicated to the stock exchanges where shares of the Company are listed.

**PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED/ APPOINTED AT THE MEETING ARE GIVEN BELOW.**

**A. MR. K. L. V. NARAYANAN**

Date of Birth and age	02.04.1957; 61 years of age
Qualification	Batchelor of Arts
Expertise in specific functional areas	Expertise in Export management, Excellent Knowledge of all export related matters with an industry experience of over 40 years in textile industry.
Directorship held in other Companies	a) Victory Paper and Boards (India) Ltd b) Kitex Apparels Limited
Details of the remuneration last drawn	Refer Annexure B of Directors Report
Date of first appointment on the Board	04.04.2013
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
Number of Meetings of the Board attended during the year and other Directorships	Refer Corporate Governance Report forming part of Annual Report
Chairman/member of the Committee of the Board of Directors of this Company	Refer Corporate Governance Report forming part of Annual Report
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil

**B. MS. SINDHU CHANDRASEKHAR**

Date of Birth	01.06.1969; 49 years of age
Qualification	Science Graduate

Expertise in specific functional areas	Ms. Sindhu Chandrasekhar joined Kitex Group in april 1995 & later on inducted into Kitex Garments Limited in the year 1997. She has been holding various post and presently the position has Manager - Finance. Ms. Sindhu Chandrasekhar has been handling the Treasury Management of the company for a quite long period. Ms. Sindhu Chandrasekhar is instrumental in maintaining a perfect cash management system in the company during her tenure.
Directorship held in other Companies	<ul style="list-style-type: none"> <li>• Kitex Herbals Limited</li> <li>• Kitex Infantswear Limited</li> </ul>
Details of the remuneration last drawn	Refer Annexure B to the Directors Report
Date of first appointment on the Board	16.03.2015
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
number of Meetings of the Board attended during the year and other Directorships	Refer Corporate Governance Report forming part of Annual Report
Chairman/member of the Committee of the Board of Directors of this Company	Refer Corporate Governance Report forming part of Annual Report
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

### Item No. 5

The members of the Company at the 23rd Annual General Meeting held on 4th June, 2015, had approved the appointment of Ms. Sindhu Chandrasekhar (DIN 06434415) as a Whole-time Director designated as Woman Director of the Company and the terms of remuneration payable to her for the period from March 16, 2015 to March 15, 2020. The members had inter alia approved, salary not exceeding ₹ 57,000 with an annual increment not exceeding 15% per annum and a performance Bonus upto a maximum of Eight months salary per annum payable quarterly at the discretion of Chairman & Managing Director with the approval of the Board. The monthly salary of Ms. Sindhu Chandrasekhar was revised with effect from April 1, 2016. This was within the limits specified in the shareholders approval of June 4, 2015 upto December 31, 2016.

Taking into consideration her present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 30th January, 2017 decided to revise the salary scale applicable to Ms. Sindhu Chandrasekhar from the existing ₹57,000 per month to ₹65,500/- per month in the pay scale of ₹65,5000 to ₹1,00,000 and a performance bonus of 8 months to a maximum of 24 months salary per annual payable quarterly based on her performance at the discretion of the Chairman & Managing Director for the period January 1, 2017 to March 15, 2020. All other terms and conditions relating to her appointment and remuneration as approved earlier by the members remain unchanged.

Details of remuneration paid to Ms. Sindhu Chandrasekhar during the Financial Year 2016-17 have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report. This Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Relevant documents in respect of the said items would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days up to the date of the Annual General Meeting.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution except Ms. Sindhu Chandrasekhar.

### Item No. 6

The Company's shares were listed on BSE Limited in the year 1995 and the National Stock Exchange of India Limited in the year 2011 (consequent to the closure of Cochin Stock Exchange) and have been actively traded in the stock exchanges. Over the years, the Company has performed significantly both in terms of revenue and profit and has been rewarding its shareholders consistently. The Directors have created free reserves to a considerable extent out of its distributable profits and the balance in reserves and surplus as on March 31, 2017 is ₹ 450.67 Crores. At present, the Authorised Share Capital of your Company is ₹ 25,00,00,000 (Rupees Twenty Five Crores) divided into 25,00,00,000 equity shares of ₹ 1 (Rupee One) each.

With a view to distribute the benefit among the members in form of equity shares out of free reserve of the Company without receiving any consideration, its Board of Directors at its meeting held on April 28, 2017 has recommended issue of shares in ratio of 2:5, i.e. Two shares for every 5 shares held by the shareholders, subject to their approval. The issue of bonus shares, by way of capitalizing reserves, is authorized by the Company's Articles of Association. The paid-up capital as on aforesaid Board meeting date is ₹ 4.75 Crores. An amount of ₹ 1.9 Crores from the free reserves is required to be capitalized for the issue of bonus shares in the ratio of 2:5. After the bonus issue, the paid-up share capital would increase to ₹ 6.65 Crores. The proposal for capitalization of the said reserves and issue of bonus shares is now placed for consideration and approval of the members.

The Record Date for determining the eligibility of the shareholders to receive the said bonus shares shall be fixed by the Board in consultation with the Stock Exchanges where shares are listed. Accordingly, the resolution at item nos. 6 of the Notice seeks approval of the Members by way of Ordinary Resolution for issue of Bonus shares.

Relevant documents in respect of the said items would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days up to the date of the Annual General Meeting.

The Directors/ Key Managerial Personnel or their relatives are concerned or interested, to the extent of their shareholding in the Company, if any, in the resolutions set out at item no. 6 of the accompanying notice.

### Item No. 7

Your Company sells processed textiles to M/s. Kitex Childrenswear Limited, (hereinafter referred to as "the KCL") an unlisted company which is also promoted by Mr. Sabu M Jacob who is also the Managing Director of this company. Your company also takes on rent and also rent out some portion of the factory premises to KCL and also engages KCL for undertaking special job work contracts. The sale of processed Textiles and Job work contracts dependent on the requirement of both the Companies for its products from time to time and the ability to supply such specified Childrenswear by these companies. During the course of its business, KCL also sells its products to other companies.

Your company has noted that M/s. Kitex Childrenswear Limited fall under the category of a related party of the Company in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified and amended from time to time. The provisions of this regulation read with Policy on Related Party Transactions approved and notified by the Board of Directors of the Company consider a transaction with a related party material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the Annual consolidated turnover of the company as per the last audited financial statements of the Company. Further, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time require all material related party transactions to be approved by the shareholders through an ordinary resolution and the related parties shall abstain from voting on such resolutions.

The Company envisages that the transactions entered into with M/s. Kitex Childrenswear Limited whether individually and/or in aggregate would exceed the stipulated threshold limit of ten percent of consolidated annual turnover of the Company as per the latest audited financial statements of the Company during a financial year under review. The company therefore requires the approval of the shareholders by an ordinary resolution for entering into such transaction(s)/ Contract(s)/ arrangement(s) with M/s. Kitex Childrenswear Limited upto a maximum amount as mentioned in the resolution in each financial year from the FY 2016-17 for a period of 3 years.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arms length basis, the same is being sought as an abundant precautionary measure.

All related parties shall abstain from voting on this resolution.

The relevant information is as follows:

1.	Name of the related parties	Kitex Childrenswear Limited (KCL)
2.	Name of the Director or KMP who is related	Mr. Sabu M Jacob
3.	Nature of relationship	Mr. Sabu M Jacob is the Chairman & Managing Director of Kitex Garments Limited (KGL) and is also the Managing Director of KCL. He is the promoter for both the companies. He is holding 99.69% shares in KCL along with his wife.

4.	Monetary Value	The estimated aggregate contract value for the matters proposed in the resolution shall not exceed ₹ 150 Crores for KCL in each financial year for 3 consecutive years
5.	Nature, material terms and particulars of arrangements	Purchase and sale of Processed Textiles and job work contracts, also takes on rent and rent out some portions of the factory premises to KCL by the company as these are dependent on the requirement of both companies for its products from time to time and the ability to supply of specified material by these companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis.
6.	Any advance paid or received for the arrangement if any	As per industry norms, custom and uses.
7.	Tenure of Contract	3 years
8.	Any other relevant or important information for the members to take a decision on the proposed resolution	Nil

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on April

28, 2017 have approved the proposed arrangements with the Related Party M/s. Kitex Childrenswear Limited and have also decided to seek approval of shareholders by way of ordinary resolution pursuant to section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

Mr. Sabu M Jacob and his relatives who directly hold in aggregate 1,84,15,268 Equity shares of the Company are concerned or interested in the ordinary resolution under Agenda Item no. 7. M/s. Kitex Childrenswear Limited holds in aggregate 73,50,329 Equity shares and being a promoter company is also interested or concerned in the ordinary resolution under Agenda item No. 7

Relevant documents in respect of the said items would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days up to the date of the Annual General Meeting.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

The Directors/ Key Managerial Personnel or their relatives are concerned or interested, to the extent of their shareholding in the Company, if any, in the resolutions set out at item no. 7 of the accompanying notice.

By Order of the Board of Directors of  
**Kitex Garments Limited**

Place: Kizhakkambalam  
Date: April 28, 2017

**Sabu M. Jacob**  
Chairman & Managing Director  
(DIN: 00046016)



## ROUTE MAP TO THE 25TH ANNUAL GENERAL MEETING VENUE

